

AMENDED IN ASSEMBLY MARCH 25, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 2585**

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**Introduced by Assembly Member Daly**

February 21, 2014

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An act to amend ~~Section~~ Sections 1622 and 42127 of the Education Code, relating to school finance.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2585, as amended, Daly. School finance: ~~school districts; annual~~ budgets.

*(1) Existing law, on or before July 1 of each year, requires a county board of education to hold a public hearing on the proposed county school service fund budget for that fiscal year, requires the county board of education to adopt an annual budget for the budget year, and requires the county board of education to file the budget with the Superintendent of Public Instruction, the county board of supervisors, and the county auditor. Existing law requires the Superintendent to examine the budget, as specified, and, on or before August 15, approve or disapprove the budget. If the budget is disapproved, existing law requires the Superintendent, on or before August 15, to transmit to the county office of education, in writing, his or her recommendations regarding revision of the budget and the reasons for those recommendations. Existing law, on or before September 8, and after a public hearing regarding the proposed revisions to the budget, as specified, requires the county board of education to revise the county office of education budget to reflect certain fiscal changes, to include any response to the recommendations of the Superintendent, to adopt the revised budget, and to file the revised budget with the*

*Superintendent, the county board of supervisors, and the county auditor. Existing law authorizes the county office of education to elect to use an alternative budget review process by providing the Superintendent with written notice, as specified.*

*This bill, if the budget of a county office of education is disapproved, would instead require the county superintendent of schools and the county board of education, on or before September 8, to review the recommendations of the Superintendent at a regularly scheduled meeting of the county board of education and to respond to those recommendations. The bill would require that response to include any revisions to the adopted budget and other proposed actions to be taken, if any, as a result of those recommendations. The bill would repeal the authority of a county office of education to elect to use the alternative budget review process. The bill would also make nonsubstantive changes to these provisions. By requiring a county superintendent of schools to undertake additional responsibilities related to reviewing the recommendations of the Superintendent, the bill would impose a state-mandated local program.*

**Existing**

*(2) Existing law, on or before July 1 of each year, requires a school district to hold a public hearing on, and adopt, a budget for the subsequent fiscal year. Existing law requires the governing board of the school district to file the adopted budget with the county superintendent of schools, as specified. Existing law requires the county superintendent of schools to examine the adopted budget, as specified, to make certain determinations related to the adopted budget, and, on or before August 15, to approve, conditionally approve, or disapprove the adopted budget for each school district. If the adopted budget is conditionally approved or disapproved, existing law requires the county superintendent of schools, on or before August 15, to transmit to the governing board of the school district, in writing, his or her recommendations regarding revision of the budget and the reasons for those recommendations. Existing law, on or before September 8, and after a public hearing regarding the proposed revisions to the budget, as specified, requires the governing board of the school district to revise the adopted budget to reflect certain fiscal changes, to include any response to the recommendations of the county superintendent of schools, to adopt the revised budget, and to file the revised budget with the county superintendent of schools. Existing law, if the adopted budget is disapproved, also requires the governing board of the school district*

*and the county superintendent of schools to review the disapproval and the recommendations of the county superintendent of schools regarding revision of the budget at the public hearing. Existing law authorizes the governing board of a school district to elect to use an alternative budget review process by providing the county superintendent of schools with written notice, as specified.*

This bill would require the public hearing to be conducted in accordance with a specified provision related to proposed budgets. The bill, if the adopted budget of a school district is conditionally approved or disapproved as described above, would *instead* require the governing board of the school district, on or before September 8, and in conjunction with the county superintendent of schools, to review and respond to the superintendent's recommendations at a regular meeting of the governing board of the school district. The bill would require the response to include any revisions to the adopted budget and other proposed action to be taken, if any, as a result of the superintendent's recommendations. *The bill would repeal the authority of the governing board of a school district to elect to use the alternative budget review process. The bill would also make nonsubstantive changes to these provisions.* By requiring school districts to undertake additional responsibilities related to the ~~adoption~~ conditional approval of budgets, the bill would impose a state-mandated local program.

~~The~~

(3) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1     **SECTION 1.** *Section 1622 of the Education Code is amended*
- 2     *to read:*
- 3     1622. (a) On or before July 1 of each fiscal year, the county
- 4     board of education shall adopt an annual budget for the budget
- 5     year and shall file the budget with the Superintendent, the county

1 board of supervisors, and the county auditor. The budget, and  
2 supporting data, shall be maintained and made available for public  
3 review. The budget shall indicate the date, time, and location at  
4 which the county board of education held the public hearing  
5 required under Section 1620. For the 2014–15 fiscal year and each  
6 fiscal year thereafter, the county board of education shall not adopt  
7 a budget before the county board of education adopts a local control  
8 and accountability plan or approves an update to an existing local  
9 control and accountability plan if an existing local control and  
10 accountability plan or update to a local control and accountability  
11 plan is not effective during the budget year. The county board of  
12 education shall not adopt a budget that does not include the  
13 expenditures identified in the local control and accountability plan  
14 and any annual update to the local control and accountability plan  
15 that will be effective ~~in the subsequent fiscal~~ *for the budget* year.  
16 Notwithstanding any other provision of this article, for the 2014–15  
17 fiscal year and each fiscal year thereafter, the budget shall not be  
18 adopted or approved by the Superintendent before a local control  
19 and accountability plan or update to an existing local control and  
20 accountability plan for the budget year is approved.

21 (b) (1) The Superintendent shall examine the budget to  
22 determine if it (A) complies with the standards and criteria adopted  
23 by the state board pursuant to Section 33127 for application to  
24 final local educational agency budgets, (B) allows the county office  
25 of education to meet its financial obligations during the fiscal year,  
26 and (C) is consistent with a financial plan that will enable the  
27 county office of education to satisfy its multiyear financial  
28 commitments. In addition, the Superintendent shall identify any  
29 technical corrections to the budget that must be made. On or before  
30 August 15, the Superintendent shall approve or disapprove the  
31 budget and, in the event of a disapproval, transmit to the county  
32 office of education in writing his or her recommendations regarding  
33 revision of the budget and the reasons for those recommendations.

34 ~~(2) For the 2011–12 fiscal year, notwithstanding any of the~~  
35 ~~standards and criteria adopted by the state board pursuant to Section~~  
36 ~~33127, the Superintendent, as a condition on approval of a county~~  
37 ~~office of education budget, shall not require a county office of~~  
38 ~~education to project a lower level of revenue per unit of average~~  
39 ~~daily attendance than it received in the 2010–11 fiscal year nor~~  
40 ~~require the county superintendent to certify in writing whether or~~

1 ~~not the county office of education is able to meet its financial~~  
2 ~~obligations for the two subsequent fiscal years.~~

3 (3)

4 (2) For the 2014–15 fiscal year and each fiscal year thereafter,  
5 the Superintendent shall disapprove a budget if any of the following  
6 occur:

7 (A) The Superintendent has not approved a local control and  
8 accountability plan or an annual update to the local control and  
9 accountability plan filed by a county superintendent of schools  
10 pursuant to Section ~~52067~~ 52070.5 *that is effective for the budget*  
11 *year.*

12 (B) The Superintendent determines that the budget does not  
13 include the expenditures necessary to implement the local control  
14 and accountability plan or an annual update to the local control  
15 and accountability plan that is effective for that budget year.

16 ~~(e) On or before September 8, the county board of education~~  
17 ~~shall revise the county office of education budget to reflect changes~~  
18 ~~in projected income or expenditures subsequent to July 1, and to~~  
19 ~~include any response to the recommendations of the~~  
20 ~~Superintendent, shall adopt the revised budget, and shall file the~~  
21 ~~revised budget with the Superintendent, the county board of~~  
22 ~~supervisors, and the county auditor. Before revising the budget,~~  
23 ~~the county board of education shall hold a public hearing regarding~~  
24 ~~the proposed revisions, which shall be made available for public~~  
25 ~~inspection not less than three working days before the hearing.~~  
26 ~~The agenda for that hearing shall be posted at least 72 hours before~~  
27 ~~the public hearing and shall include the location where the budget~~  
28 ~~will be available for public inspection. The revised budget, and~~  
29 ~~supporting data, shall be maintained and made available for public~~  
30 ~~review.~~

31 *(c) In the event of the disapproval of the budget of a county*  
32 *office of education pursuant to subdivision (b), on or before*  
33 *September 8, the county superintendent of schools and the county*  
34 *board of education shall review the recommendations of the*  
35 *Superintendent at a regularly scheduled meeting of the county*  
36 *board of education and respond to those recommendations. That*  
37 *response shall include any revisions to the adopted budget and*  
38 *other proposed actions to be taken, if any, as a result of those*  
39 *recommendations.*

(d) (1) The Superintendent shall examine the revised budget *as provided in subdivision (c)* to determine if it complies with the standards and criteria adopted by the state board pursuant to Section 33127 for application to final local educational agency budgets and, no later than October 8, shall approve or disapprove the revised budget. For the 2014–15 fiscal year and each fiscal year thereafter, the Superintendent shall disapprove a revised budget if the Superintendent determines that the revised budget does not include the expenditures necessary to implement the local control and accountability *plan* or an annual update to the local control and accountability plan approved by the Superintendent pursuant to Section ~~52067~~ 52070.5 *that is effective for the budget year*. If the Superintendent disapproves the budget, he or she shall call for the formation of a budget review committee pursuant to Section 1623. ~~For the 2011–12 fiscal year, notwithstanding any of the standards and criteria adopted by the state board pursuant to Section 33127, the Superintendent, as a condition on approval of a county office of education budget, shall not require a county office of education to project a lower level of revenue per unit of average daily attendance than it received in the 2010–11 fiscal year nor require the county superintendent to certify in writing whether or not the county office of education is able to meet its financial obligations for the two subsequent fiscal years.~~

(2) Notwithstanding any other law, for the 2014–15 fiscal year and each fiscal year thereafter, if the Superintendent disapproves the budget for the sole reason that the Superintendent has not approved a local control and accountability plan or an annual update to the local control and accountability plan filed by the county superintendent of schools pursuant to Section ~~52067~~, 52070.5, the Superintendent shall not call for the formation of a budget review committee pursuant to Section 1623.

~~(e) Notwithstanding any other provision of this section, the budget review for a county office of education shall be governed by paragraphs (1), (2), and (3) of this subdivision, rather than by subdivisions (c) and (d), if the county board of education so elects, and notifies the Superintendent in writing of that decision, no later than October 31 of the immediately preceding calendar year.~~

~~(1) In the event of the disapproval of the budget of a county office of education pursuant to subdivision (b), on or before September 8, the county superintendent of schools and the county~~

1 ~~board of education shall review the recommendations of the~~  
2 ~~Superintendent at a regularly scheduled meeting of the county~~  
3 ~~board of education and respond to those recommendations. That~~  
4 ~~response shall include the proposed actions to be taken, if any, as~~  
5 ~~a result of those recommendations.~~

6 ~~(2) No later than October 8, after receiving the response required~~  
7 ~~under paragraph (1), the Superintendent shall review that response~~  
8 ~~and either approve or disapprove the budget of the county office~~  
9 ~~of education. For the 2014-15 fiscal year and each fiscal year~~  
10 ~~thereafter, the Superintendent shall disapprove a budget if the~~  
11 ~~Superintendent determines that the budget adopted by the county~~  
12 ~~board of education does not include the expenditures necessary to~~  
13 ~~implement the local control and accountability plan or an annual~~  
14 ~~update to the local control and accountability plan approved by~~  
15 ~~the Superintendent pursuant to Section 52067. Except as provided~~  
16 ~~in paragraph (2) of subdivision (d), if the Superintendent~~  
17 ~~disapproves the budget, he or she shall call for the formation of a~~  
18 ~~budget review committee pursuant to Section 1623.~~

19 ~~(3)~~

20 ~~(e) Not later than 45 days after the Governor signs the annual~~  
21 ~~Budget Act, the county office of education shall make available~~  
22 ~~for public review any revisions in revenues and expenditures that~~  
23 ~~it has made to its budget to reflect the funding made available by~~  
24 ~~that Budget Act.~~

25 **SECTION 1.**

26 *SEC. 2.* Section 42127 of the Education Code is amended to  
27 read:

28 42127. (a) On or before July 1 of each year, the governing  
29 board of each school district shall accomplish the following:

30 (1) Hold a public hearing conducted in accordance with Section  
31 42103 on the budget to be adopted for the subsequent fiscal year.  
32 The budget to be adopted shall be prepared in accordance with  
33 Section 42126. The agenda for that hearing shall be posted at least  
34 72 hours before the public hearing and shall include the location  
35 where the budget will be available for public inspection.

36 ~~(A) For the 2011-12 fiscal year, notwithstanding any of the~~  
37 ~~standards and criteria adopted by the state board pursuant to Section~~  
38 ~~33127, each school district budget shall project the same level of~~  
39 ~~revenue per unit of average daily attendance as it received in the~~

1 ~~2010–11 fiscal year and shall maintain staffing and program levels~~  
2 ~~commensurate with that level.~~

3 ~~(B) For the 2011–12 fiscal year, the school district shall not be~~  
4 ~~required to demonstrate that it is able to meet its financial~~  
5 ~~obligations for the two subsequent fiscal years.~~

6 (2) Adopt a budget. Not later than five days after that adoption  
7 or by July 1, whichever occurs first, the governing board of the  
8 school district shall file that budget with the county superintendent  
9 of schools. The budget and supporting data shall be maintained  
10 and made available for public review. If the governing board of  
11 the school district does not want all or a portion of the property  
12 tax requirement levied for the purpose of making payments for the  
13 interest and redemption charges on indebtedness as described in  
14 paragraph (1) or (2) of subdivision (b) of Section 1 of Article  
15 XIII A of the California Constitution, the budget shall include a  
16 statement of the amount or portion for which a levy shall not be  
17 made. For the 2014–15 fiscal year and each fiscal year thereafter,  
18 the governing board of the school district shall not adopt a budget  
19 before the governing board of the school district adopts a local  
20 control and accountability plan, if an existing local control and  
21 accountability plan or annual update to a local control and  
22 accountability plan is not effective for the budget year. The  
23 governing board of a school district shall not adopt a budget that  
24 does not include the expenditures necessary to implement the local  
25 control and accountability plan or the annual update to a local  
26 control and accountability plan that is effective ~~during the~~  
27 ~~subsequent fiscal~~ *for the budget year.*

28 (b) The county superintendent of schools may accept changes  
29 in any statement included in the budget, pursuant to subdivision  
30 (a), of the amount or portion for which a property tax levy shall  
31 not be made. The county superintendent of schools or the county  
32 auditor shall compute the actual amounts to be levied on the  
33 property tax rolls of the school district for purposes that exceed  
34 apportionments to the school district pursuant to Chapter 6  
35 (commencing with Section 95) of Part 0.5 of Division 1 of the  
36 Revenue and Taxation Code. Each school district shall provide all  
37 data needed by the county superintendent of schools or the county  
38 auditor to compute the amounts. On or before August 15, the  
39 county superintendent of schools shall transmit the amounts  
40 computed to the county auditor who shall compute the tax rates



1 necessary to produce the amounts. On or before September 1, the  
2 county auditor shall submit the rate computed to the board of  
3 supervisors for adoption.

4 (c) The county superintendent of schools shall do all of the  
5 following:

6 (1) Examine the adopted budget to determine whether it  
7 complies with the standards and criteria adopted by the state board  
8 pursuant to Section 33127 for application to final local educational  
9 agency budgets. The county superintendent of schools shall  
10 identify, if necessary, technical corrections that are required to be  
11 made to bring the budget into compliance with those standards  
12 and criteria.

13 (2) Determine whether the adopted budget will allow the school  
14 district to meet its financial obligations during the fiscal year and  
15 is consistent with a financial plan that will enable the school district  
16 to satisfy its multiyear financial commitments. In addition to his  
17 or her own analysis of the budget of each school district, the county  
18 superintendent of schools shall review and consider studies, reports,  
19 evaluations, or audits of the school district that were commissioned  
20 by the school district, the county superintendent of schools, the  
21 Superintendent, and state control agencies and that contain  
22 evidence that the school district is showing fiscal distress under  
23 the standards and criteria adopted in Section 33127 or that contain  
24 a finding by an external reviewer that more than 3 of the 15 most  
25 common predictors of a school district needing intervention, as  
26 determined by the County Office Fiscal Crisis and Management  
27 Assistance Team, are present. The county superintendent of schools  
28 shall either conditionally approve or disapprove a budget that does  
29 not provide adequate assurance that the school district will meet  
30 its current and future obligations and resolve any problems  
31 identified in studies, reports, evaluations, or audits described in  
32 this paragraph.

33 (3) Determine whether the adopted budget includes the  
34 expenditures necessary to implement the local control and  
35 accountability plan or annual update to the local control and  
36 accountability plan approved by the county superintendent of  
37 schools.

38 (d) (1) On or before August 15, the county superintendent of  
39 schools shall approve, conditionally approve, or disapprove the  
40 adopted budget for each school district. For the 2014–15 fiscal

1 year and each fiscal year thereafter, the county superintendent of  
2 schools shall disapprove a budget if the county superintendent of  
3 schools determines that the budget does not include the  
4 expenditures necessary to implement a local control and  
5 accountability plan or an annual update to the local control and  
6 accountability plan approved by the county superintendent of  
7 schools. If a school district does not submit a budget to the county  
8 superintendent of schools, the county superintendent of schools  
9 shall develop, at school district expense, a budget for that school  
10 district by September 15 and transmit that budget to the governing  
11 board of the school district. The budget prepared by the county  
12 superintendent of schools shall be deemed adopted, unless the  
13 county superintendent of schools approves any modifications made  
14 by the governing board of the school district. The approved budget  
15 shall be used as a guide for the school district's priorities. The  
16 Superintendent shall review and certify the budget approved by  
17 the county. If, pursuant to the review conducted pursuant to  
18 subdivision (c), the county superintendent of schools determines  
19 that the adopted budget for a school district does not satisfy  
20 paragraph (1), (2), or (3) of that subdivision, he or she shall  
21 conditionally approve or disapprove the budget and, not later than  
22 August 15, transmit to the governing board of the school district,  
23 in writing, his or her recommendations regarding revision of the  
24 budget and the reasons for those recommendations, including, but  
25 not limited to, the amounts of any budget adjustments needed  
26 before he or she can approve that budget. The county  
27 superintendent of schools may assign a fiscal adviser to assist the  
28 school district to develop a budget in compliance with those  
29 revisions. In addition, the county superintendent of schools may  
30 appoint a committee to examine and comment on the  
31 superintendent's review and recommendations, subject to the  
32 requirement that the committee report its findings to the county  
33 superintendent of schools no later than August 20. ~~For the 2011-12~~  
34 ~~fiscal year, notwithstanding any of the standards and criteria~~  
35 ~~adopted by the state board pursuant to Section 33127, the county~~  
36 ~~superintendent of schools, as a condition on approval of a school~~  
37 ~~district budget, shall not require a school district to project a lower~~  
38 ~~level of revenue per unit of average daily attendance than it~~  
39 ~~received in the 2010-11 fiscal year nor require the school district~~

1 to demonstrate that it is able to meet its financial obligations for  
2 the two subsequent fiscal years.

3 (2) Notwithstanding any other provision of this article, for the  
4 2014–15 fiscal year and each fiscal year thereafter, the budget  
5 shall not be adopted or approved by the county superintendent of  
6 schools before a local control and accountability plan or update to  
7 an existing local control and accountability plan for the budget  
8 year is approved.

9 (3) ~~(A)~~ If the adopted budget of a school district is conditionally  
10 approved or disapproved pursuant to paragraph (1), on or before  
11 September 8, the governing board of the school district, in  
12 conjunction with the county superintendent of schools, shall review  
13 and respond to the recommendations of the county superintendent  
14 of schools at a regular meeting of the governing board of the school  
15 district. The response shall include any revisions to the adopted  
16 budget and other proposed actions to be taken, if any, as a result  
17 of those recommendations.

18 ~~(B) On or before September 8, the governing board of the school~~  
19 ~~district shall adopt the revised budget and file it with the county~~  
20 ~~superintendent of schools.~~

21 (e) On or before September 22, the county superintendent of  
22 schools shall provide a list to the Superintendent identifying all  
23 school districts for which budgets may be disapproved.

24 (f) (1) The county superintendent of schools shall examine the  
25 revised budget *as provided in paragraph (3) of subdivision (d)* to  
26 determine whether it (1) complies with the standards and criteria  
27 adopted by the state board pursuant to Section 33127 for  
28 application to final local educational agency budgets, (2) allows  
29 the school district to meet its financial obligations during the fiscal  
30 year, (3) satisfies all conditions established by the county  
31 superintendent of schools in the case of a conditionally approved  
32 budget, and (4) is consistent with a financial plan that will enable  
33 the school district to satisfy its multiyear financial commitments,  
34 and, not later than October 8, shall approve or disapprove the  
35 revised budget. If the county superintendent of schools disapproves  
36 the budget, he or she shall call for the formation of a budget review  
37 committee pursuant to Section 42127.1, unless the governing board  
38 of the school district and the county superintendent of schools  
39 agree to waive the requirement that a budget review committee be  
40 formed and the department approves the waiver after determining

1 that a budget review committee is not necessary. Upon the grant  
2 of a waiver, the county superintendent of schools immediately has  
3 the authority and responsibility provided in Section 42127.3. Upon  
4 approving a waiver of the budget review committee, the department  
5 shall ensure that a balanced budget is adopted for the school district  
6 by November 30. If no budget is adopted by November 30, the  
7 Superintendent may adopt a budget for the school district. The  
8 Superintendent shall report to the Legislature and the Director of  
9 Finance by December 10 if any school district, including a school  
10 district that has received a waiver of the budget review committee  
11 process, does not have an adopted budget by November 30. This  
12 report shall include the reasons why a budget has not been adopted  
13 by the deadline, the steps being taken to finalize budget adoption,  
14 the date the adopted budget is anticipated, and whether the  
15 Superintendent has or will exercise his or her authority to adopt a  
16 budget for the school district. ~~For the 2011–12 fiscal year,~~  
17 ~~notwithstanding any of the standards and criteria adopted by the~~  
18 ~~state board pursuant to Section 33127, the county superintendent~~  
19 ~~of schools, as a condition on approval of a school district budget,~~  
20 ~~shall not require a school district to project a lower level of revenue~~  
21 ~~per unit of average daily attendance than it received in the 2010–11~~  
22 ~~fiscal year nor require the school district to demonstrate that it is~~  
23 ~~able to meet its financial obligations for the two subsequent fiscal~~  
24 ~~years.~~

25 (2) Notwithstanding any other law, for the 2014–15 fiscal year  
26 and each fiscal year thereafter, if the county superintendent of  
27 schools disapproves the budget for the sole reason that the county  
28 superintendent of schools has not approved a local control and  
29 accountability plan or an annual update to the local control and  
30 accountability plan filed by the school district pursuant to Section  
31 52061, the county superintendent of schools shall not call for the  
32 formation of a budget review committee pursuant to Section  
33 42127.1.

34 (g) Not later than October 8, the county superintendent of  
35 schools shall submit a report to the Superintendent identifying all  
36 school districts for which budgets have been disapproved or budget  
37 review committees waived. The report shall include a copy of the  
38 written response transmitted to each of those school districts  
39 pursuant to paragraph (1) of subdivision (d).

1     ~~(h) Notwithstanding any other provision of this section, the~~  
2     ~~budget review for a school district shall be governed by paragraphs~~  
3     ~~(1), (2), and (3), rather than by paragraph (3) of subdivision (d)~~  
4     ~~and subdivision (f), if the governing board of the school district~~  
5     ~~so elects and notifies the county superintendent of schools in~~  
6     ~~writing of that decision, not later than October 31 of the~~  
7     ~~immediately preceding calendar year. On or before July 1, the~~  
8     ~~governing board of a school district for which the budget review~~  
9     ~~is governed by this subdivision, rather than by paragraph (3) of~~  
10    ~~subdivision (d) and subdivision (f), shall conduct a public hearing~~  
11    ~~regarding its proposed budget in accordance with Section 42103.~~

12    ~~(1) If the adopted budget of a school district is disapproved~~  
13    ~~pursuant to subdivision (d), on or before September 8, the~~  
14    ~~governing board of the school district, in conjunction with the~~  
15    ~~county superintendent of schools, shall review the superintendent's~~  
16    ~~recommendations at a regular meeting of the governing board of~~  
17    ~~the school district and respond to those recommendations. The~~  
18    ~~response shall include any revisions to the adopted budget and~~  
19    ~~other proposed actions to be taken, if any, as a result of those~~  
20    ~~recommendations.~~

21    ~~(2) On or before September 22, the county superintendent of~~  
22    ~~schools shall provide a list to the Superintendent identifying all~~  
23    ~~school districts for which a budget may be tentatively disapproved.~~

24    ~~(3) Not later than October 8, after receiving the response~~  
25    ~~required under paragraph (1), the county superintendent of schools~~  
26    ~~shall review that response and either approve or disapprove the~~  
27    ~~budget. Except as provided in paragraph (2) of subdivision (f), if~~  
28    ~~the county superintendent of schools disapproves the budget, he~~  
29    ~~or she shall call for the formation of a budget review committee~~  
30    ~~pursuant to Section 42127.1, unless the governing board of the~~  
31    ~~school district and the county superintendent of schools agree to~~  
32    ~~waive the requirement that a budget review committee be formed~~  
33    ~~and the department approves the waiver after determining that a~~  
34    ~~budget review committee is not necessary. Upon the grant of a~~  
35    ~~waiver, the county superintendent has the authority and~~  
36    ~~responsibility provided to a budget review committee in Section~~  
37    ~~42127.3. Upon approving a waiver of the budget review committee,~~  
38    ~~the department shall ensure that a balanced budget is adopted for~~  
39    ~~the school district by November 30. The Superintendent shall~~  
40    ~~report to the Legislature and the Director of Finance by December~~

1 10 if any school district, including a school district that has received  
2 a waiver of the budget review committee process, does not have  
3 an adopted budget by November 30. This report shall include the  
4 reasons why a budget has not been adopted by the deadline, the  
5 steps being taken to finalize budget adoption, and the date the  
6 adopted budget is anticipated. For the 2011-12 fiscal year,  
7 notwithstanding any of the standards and criteria adopted by the  
8 state board pursuant to Section 33127, the county superintendent  
9 of schools, as a condition on approval of a school district budget,  
10 shall not require a school district to project a lower level of revenue  
11 per unit of average daily attendance than it received in the 2010-11  
12 fiscal year nor require the school district to demonstrate that it is  
13 able to meet its financial obligations for the two subsequent fiscal  
14 years.

15 (4)

16 (h) Not later than 45 days after the Governor signs the annual  
17 Budget Act, the school district shall make available for public  
18 review any revisions in revenues and expenditures that it has made  
19 to its budget to reflect the funding made available by that Budget  
20 Act.

21 (i) Any school district for which the county board of education  
22 serves as the governing board of the school district is not subject  
23 to subdivisions (c) to (g), (h), inclusive, but is governed instead  
24 by the budget procedures set forth in Section 1622.

25 ~~SEC. 2.~~

26 SEC. 3. If the Commission on State Mandates determines that  
27 this act contains costs mandated by the state, reimbursement to  
28 local agencies and school districts for those costs shall be made  
29 pursuant to Part 7 (commencing with Section 17500) of Division  
30 4 of Title 2 of the Government Code.